

Section IX

Economic Development

Introduction

A severe economic crisis is gripping the world as this Master Plan is being written. The deepening of a banking crisis in the latter part of 2008 has impacted almost every sector. The prelude to the current downturn was over 10 years of significant growth, especially in the areas of housing and communications.

Sunapee has seen the effects of this economic cycle, particularly in the area of real estate. During the latter part of the 90s and up through 2005, Sunapee witnessed steady growth in the number of new homes and building permits (see Section II, Table II-3). Home prices surged during this period. Permit numbers declined significantly from 2006 to 2009 as credit began to tighten and home prices sagged.

Manufacturing, which was once the economic driver in the region, continues to decline. Some of the lost jobs have been replaced by the high-tech and medical sectors, but most new jobs are in tourism and service industries. Much of the region's job growth is centered around the Hanover/Lebanon areas where the Dartmouth/Hitchcock Medical Center continues to expand.

Sunapee has small remnants of its manufacturing remaining. Most of the jobs in the community are in the school system or local government.

Employment Information

The Newport Labor Market area (which includes Newport, Sunapee, Croydon, and Goshen) has traditionally had low unemployment rates when compared to State and National figures. As of January 2010, the unemployment rate locally was 6.8% compared to New Hampshire's rate of 7.0% and the National rate of 9.7%. These rates are trending upward as the economy continues to fall into recession.

Equally important, in terms of jobs for Sunapee residents, are the relatively low unemployment rates in the neighboring Lebanon (4.1%) and New London (4.7%) Labor Market Areas. These rates are among the lowest in the State and they have been low even during past recessions.

> See Figure IX-1 <

Income Information

According to the 2000 US Census, the per capita income of year-round residents of Sunapee in 1999 was \$29,184. Median family income in the same year was reported to be \$55,909. These figures represent an increase of 91% and 58%, respectively since the 1990 US Census.

In comparison with the rest of Sullivan County, Sunapee's per capita income was one-third higher and the median family income was 15% higher. When compared to the State as a whole, per capita income was 22% higher, but the median family income was 3% lower.

One of the most dramatic changes since the 1990s was the decreased rate of persons living below the poverty level in Sunapee. The 1990 Census reported that the poverty rate in Sunapee was 11.1%, which was slightly higher than Sullivan County's rate of 10.4% and much higher than the State's rate of 8.2%. The 2000 US Census showed that the rate in Sunapee stood at 5.2%, lower than both the County (8.5%) and the State (6.5%).

Source: 2000 US Census

Property Tax Information

The property tax rate in Sunapee was \$13.98 per \$1,000 valuation in 2008. This rate included a town tax of \$2.93, a local school tax of \$5.64, a state school tax of \$2.40, and a county tax of \$3.01. The total town valuation was listed at \$1,068,138,994.

Among the State's other 234 organized Towns, Sunapee had the 39th lowest total property tax rate. In neighboring towns, the tax rate ranges from a low of \$13.52 in Newbury to a high of \$23.95 in Newport. Taxes in other towns in Sullivan County and neighboring towns in Merrimack County are shown in Table IX-1.

The prime reason for Sunapee's favorable tax rate is the large number of seasonal homes which tend to have high property values. These homes contribute greatly to total town valuation but place a small burden on town services, such as schools.

While the high total town valuation lowers the town rate, it is a liability when county taxes are determined. Sunapee pays the highest share of county taxes even though its population is only the fourth highest. This has been a source of much discussion by the Board of Selectmen over the last several years.

Table IX-1
Regional Property Tax Rates – 2008

<u>Town</u>	<u>Town Tax</u>	<u>Local School Tax</u>	<u>State School Tax</u>	<u>County Tax</u>	<u>Total Tax</u>
Acworth	7.05	7.12	2.15	2.82	19.14
Charlestown	5.92	13.39	2.22	2.77	24.30
Claremont	12.93	14.09	2.58	2.99	32.59
Cornish	2.56	9.89	2.50	2.76	17.71
Croydon	2.50	6.10	2.31	2.84	13.75
Goshen	6.83	9.36	2.19	2.92	21.30
Grantham	3.32	7.55	2.10	2.49	15.46
Langdon	5.51	11.57	2.11	2.49	21.68
Lempster	3.97	9.26	2.04	2.42	17.69
Newbury*	3.41	5.13	2.32	2.66	13.52
New London*	4.41	5.43	2.45	2.89	15.18
Newport	8.72	10.52	2.14	2.57	23.95
Plainfield	3.80	13.40	2.25	2.55	22.00
Springfield	3.14	8.81	2.07	2.57	16.59
Sunapee	2.93	5.64	2.40	3.01	13.98
Unity	4.52	7.85	2.10	2.47	16.94
Washington	4.28	6.67	2.08	2.47	15.50

* Merrimack County Town

Source: New Hampshire Department of Revenue Administration

Community Attitudes

The Master Plan community survey asked respondents about their attitudes to several different types of commercial uses. Professional offices, restaurants, retail/grocery stores, home businesses and light industry were either favored or strongly favored by more than two-thirds of all respondents. In contrast, strip commercial development, heavy industry, and shopping centers were either opposed or strongly opposed by more than two-thirds of respondents.

A separate question asked whether the town should adopt a policy of attracting certain uses. Retail uses, high tech industry, and commercial uses received affirmative answers, with industrial and manufacturing uses receiving strong negative responses.

The responses to questions regarding commercial uses were very similar to those in the 1998 Master Plan. It is apparent that most members of the community feel that the strength of Sunapee's economy lies in residential and light commercial uses, thereby preserving the rural atmosphere. This rural atmosphere promotes tourism, second home development, and small "cottage" industries.

Recommendations

1. **Encourage home based occupations and businesses.**

Home occupations and businesses in a community allow for job opportunities without the congested atmosphere of commercial areas. This is especially important in a community that thrives on maintaining a rural atmosphere. It is believed that home-based businesses will continue to grow as more people are finding it possible to work from home using modern communication systems.

2. **Support mid-scale businesses and services where appropriate.**

These businesses and services would include retail establishments, restaurants, offices, lodging, and other small to mid-size commercial establishments that are located in appropriate zoning districts.

3. **Discourage large scale commercial and manufacturing businesses**

The results of the survey clearly show that large scale uses are not in harmony with residents' vision for a rural community. Prohibitions on these uses will need to be maintained in any future land use regulation amendments.